



MALAYSIA BUILDING SOCIETY BERHAD (MBSB)
Registration No.197001000172 (9417-K)

MEDIA RELEASE

For Immediate Release

MBSB'S PROFIT AFTER TAX IMPROVED BY 27.3% IN THE FIRST QUARTER OF 2023

Highlights

- Profit After Tax (PAT) improved by 27.3% to RM74.1 million in 1Q23 against RM58.2 million in 1Q22
- Deposits stood at RM37.9 billion in 1Q23 against RM36.5 billion in 4Q22
- Common Equity Tier-1 ratio was at 19.5%

PETALING JAYA, 25 May 2023 – Malaysia Building Society Berhad ('MBSB' or 'The Group') today announced its financial performance results for period ended 31 March 2023 (1Q23).

The Group's Profit After Tax (PAT) improved by RM15.9 million or 27.3% to RM74.1 million in 1Q23 against RM58.2 million in 1Q22, mainly attributed to lower Expected Credit Losses (ECL) as well as lower operating expenditure.

The Group's Total Assets was at RM55.3 billion compared to RM54.9 billion in 4Q22, mainly driven by a net financing growth of RM0.6 billion and financial investments by RM0.3 billion, which was then netted off by a decrease in the cash and short term portfolio by RM0.6 billion. On the total liability, total deposit showed an increase of RM1.4 billion or 3.8% as compared to 4Q22.

Commenting on the results, MBSB's Group Chief Executive Officer, Datuk Nor Azam M. Taib said, "The improvement is driven by strong fundamentals based on our business plan despite the challenging economic environment."

“The campaigns and promotions that were conducted for financing and deposits throughout the quarter resulted in steady growth and this is evidenced from the increase in the Group’s gross loan and financing by 1.6% or RM0.6 billion and RM1.2 billion in the customer deposit segment.”

Profitability, Capital and Liquidity Position

The Group’s Return On Equity (ROE) was at 3.39% and Return On Assets (ROA) was at 0.54% in 1Q23. The Group maintained a healthy capital and liquidity positions with Capital Equity Tier-1 at 19.50% and Total Capital Ratio at 23.77%.

Asset Quality

The Group’s Gross Impaired Financing Ratio stood at 6.98% in 1Q23 marginally higher than 4Q22 by 0.22%. With the resolution and settlement of a few impaired corporate accounts by the end of this year, we expect the ratio to improve in the coming quarters.

MBSB Bank’s Performance

The group’s main subsidiary, MBSB Bank reported an increase in gross financing by RM592 million mainly from property and commercial banking. Customer deposits increased by RM1,150 million for the quarter contributed mainly by retail term deposit and Current Account and Savings Account (CASA).

Business Outlook

Given the economic outlook, our business strategy will focus more on strengthening our core retail segment while targeting a wider group of premium corporates to facilitate financing growth.

In achieving our goals, we are taking various initiatives which include improving our cost of funds via increasing of CASA deposits to remain competitive in terms of pricing. We will continue to drive the growth in financing through relationship-based partnership and providing innovative and personalized services.

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For more information, please contact:

Nik Surina Suria Nik Abdullah
Corporate Communications Department
niksurina@mbsbbank.com
03 - 7755 5561

Najihah Abdullah Sani
Corporate Communications Department
najihah@mbsbbank.com
03 -7755 5567

Malaysia Building Society Berhad (MBSB)

Level 25, Menara MBSB Bank, Lot 12, PJ Sentral, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor Darul Ehsan.
Website: www.mbsb.com.my

About Malaysia Building Society Berhad (MBSB)

Malaysia Building Society Berhad (MBSB) has been at the forefront of the nation's financial services industry and economic development for more than 70 years. Our story began in the 1950s where we were one of the first financial institutions to extend home financing that helped Malaysians own their homes. MBSB is instrumental in the development of many residential areas, including Petaling Jaya, where the head office is currently located.

MBSB is also the financial holding company of MBSB Bank Berhad (MBSB Bank), a progressive Islamic Bank that offers Shariah compliant banking facilities to retail, SME and corporate customers. For more information, please visit www.mbsb.com.my.

CORPORATE STRUCTURE



MALAYSIA BUILDING SOCIETY BERHAD

REGISTRATION NO: 197001000172

FINANCIAL HOLDING COMPANY



MBSB BANK BERHAD

REGISTRATION NO: 200501033981

100% OWNED BY MBSB